

12 - Estimated property taxes not to be received

Each year property taxes are levied, there is a portion of the total levy which is not received from taxpayers in each of Oregon's 36 counties. Therefore, every municipal corporation which levies a tax must give consideration to the amount of taxes which will not be received so that the amount of taxes actually received will be sufficient to balance the budget.

The amount of taxes not received will vary from year to year, and from county to county. Consequently, there is no hard and fast rule which can be applied to determine the percentage which must be estimated uncollected each year. If the estimate is too high, the amount of taxes received will be in excess of the amount necessary to balance the budget. Conversely, if the estimate is too low, the amount necessary to balance the budget will not be realized and could possibly create a shortfall in total resources. For these reasons, every municipal corporation should make the most reasonable estimate possible each fiscal year, as opposed to using the same percentage year after year.

To assist in making a reasonable estimate of taxes not to be received, the Department of Revenue compiles and distributes a Table of Property Tax Collections. This table reflects the percentage of taxes collected in all 36 counties for the past six years, and is updated annually. This information is obtained from the tax collector in each county and is based upon actual collection figures. Percentages in the current table do not reflect any drastic change from year to year; the largest change ranges from 2 to 3 percent for a few counties on rare occasion. Tax collection percentages for the majority of counties have held at a fairly

steady rate, with only a few exceptions. Fluctuations are based upon a variety of economic factors, which should be considered, along with historical information.

The estimate of property taxes not to be received is to be shown only where required on the publication forms. This estimate should never be shown as a line item expenditure or as a negative resource. It is not a budgeted item for the year it is levied, and cannot be appropriated for in the detailed budget document.

The amount of taxes levied but not received will be the same for every municipal corporation within a county. For example, the collections table shows that Marion County experienced a collection rate of 91.8 percent for the 1979-80 year. The uncollectible taxes not to be received were 8.2 percent for every taxing district in the county, yet the estimates for the same year may have ranged from 6 to 12 percent among the 79 municipal corporations submitting a tax levy in the county.

If a municipal corporation has more than one fund making a tax levy, all of the taxing funds must use the same percentage estimate for taxes not to be received. The county treasurer distributes tax money on the basis of the percentage of each district levy to the total taxes to be raised for each district on the county tax roll. For this reason, the collection rate will be the same for each one. All municipal corporations should then allocate their tax receipts on a percentage to the total levy for each taxing fund. As a result, no fund will receive more or less than its appropriate share of the total tax levy.

PROPERTY TAX COLLECTIONS TABLE

The figures listed here are the actual percentage amounts of property tax collections for the past seven years. They are provided so that a reasonable estimate of taxes not to be collected can be made, based upon true historical data. All municipal corporations must make the same percentage estimate for each fund which levies a tax.

	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79*</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Baker	93.5	93.3	92.4	93.2	90.7	90.1	91.4
Benton	93.6	93.3	92.5	91.0	90.7	88.0	85.6
Clackamas	90.3	92.6	92.5	91.9	90.3	88.7	87.1
Clatsop	86.0	86.2	85.2	93.0	90.5	89.6	87.1
Columbia	95.3	94.8	93.0	92.8	92.7	92.1	91.9
Coos	89.9	89.2	89.7	88.3	88.2	86.2	84.6
Crook	89.5	90.1	89.2	88.5	87.6	86.6	85.5
Curry	89.7	89.0	88.4	89.0	86.7	84.8	85.0
Deschutes	89.7	89.9	88.5	87.6	85.0	81.6	82.4
Douglas	92.0	92.0	91.2	91.5	90.2	88.2	86.9
Gilliam	94.3	94.1	93.6	93.8	93.1	94.2	90.7
Grant	89.2	90.3	90.5	89.5	90.0	88.7	88.2
Harney	89.5	90.0	88.2	87.5	88.9	87.2	85.1
Hood River	90.8	92.0	93.3	94.3	93.5	95.0	92.0
Jackson	91.8	90.6	89.4	91.9	89.4	88.5	87.2
Jefferson	91.8	91.6	90.5	90.0	88.0	86.4	84.7
Josephine	91.8	91.7	90.4	91.0	90.1	88.6	88.1
Klamath	92.5	92.5	91.8	91.1	89.3	87.9	87.7
Lake	90.0	88.8	91.9	91.6	89.1	85.4	84.4
Lane	92.8	93.4	92.3	90.8	88.6	86.6	84.2
Lincoln	90.3	89.4	91.9	90.7	87.2	83.6	81.8
Linn	94.5	92.0	90.0	90.3	88.6	86.9	84.7
Malheur	92.3	91.4	91.3	90.3	90.2	89.1	88.9
Marion	93.8	93.6	93.2	91.8	90.1	88.7	87.3
Morrow	91.9	89.2	94.0	92.9	92.5	94.1	94.3
Multnomah	94.5	94.8	94.7	93.4	92.5	92.1	90.3
Polk	92.0	90.7	91.0	89.1	89.8	86.6	86.0
Sherman	94.6	95.8	95.3	94.6	94.3	94.1	94.8
Tillamook	88.6	90.1	89.4	88.6	89.3	88.3	87.6
Umatilla	93.4	92.1	91.5	88.6	88.3	88.3	88.8
Union	92.6	92.9	91.8	89.9	91.8	91.2	91.4
Wallowa	92.0	92.6	92.8	93.2	89.9	89.9	88.7
Wasco	92.0	91.8	92.2	92.1	90.1	88.8	87.8
Washington	94.1	94.8	93.8	93.3	90.1	89.5	88.5
Wheeler	93.3	92.9	90.8	89.8	89.9	90.6	89.6
Yamhill	92.1	92.1	90.9	91.8	90.2	89.4	88.4

*The percentages shown for the 1978-79 F.Y. may have reported less than actual collections. This depends on whether the county excluded the P.P. & L. refunds in computing collections.